PART 1905 - MANAGEMENT SYSTEMS

Subpart A - District and County Office Management Systems

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PART 1905 - MANAGEMENT SYSTEMS

Subpart A - District and County Office Management Systems

§1905.1 Purpose.

This Subpart prescribes the policies and methods for maintaining the Management System in District and County Offices. The Management System aids field personnel in planning and organizing District and County Office activities and in the timely execution of such activities. It provides for the maintenance of individual management cards on which is recorded pertinent information relative to each borrower's case and for the use of visual signals to indicate the types of assistance, certain conditions regarding loan(s), and supervisory and servicing actions planned. It also aids in making required reports.

§1905.2 Responsibility.

District Directors and County Supervisors are responsible for the maintenance and effective use of the Management System. They assign to clerical personnel the duty of posting promptly the necessary information on the cards. Office Management Assistants advise the State Director on Management System matters covered by this Subpart. Office Management Assistants also train the District and County Office staffs in the application of this Subpart and will continue to evaluate the Management System.

§1905.3 Definitions. (Revised 11-7-84, PN 947.)

(a) Office. District and/or County Office.

(b) Supervisor. District Director and/or County Supervisor.

(c) Association. Group Farmer Programs.

(d) Interest credit. The terms “interest credit” and “interest credit assistance,” as they relate to Single Family Housing (SFH), are interchangeable with the term “payment assistance.” Payment assistance is the generic term for the subsidy provided to eligible SFH borrowers to reduce mortgage payments. (Added 10-27-95, SPECIAL PN.)

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§1905.4 Composition.

The Management System consists of the following:

(a) Management System Box. A box (or boxes) used for the Management System. Cards are filed separately for each county, for the unit as a whole, or in any other manner as best serves the needs of the office. However, Form RD 1905-5, "Management System Card - Individual (Rural Housing Only)," is maintained separately from all other individual borrowers as prescribed in §1905.7 (a)(3) of this Subpart. Labeled, one-third-cut dividers separate the Management System Box into divisions, sections, and subsections (see Exhibit A). Alphabetical dividers may be used in the Supervision and Servicing division, if desired.

(b) Cards and signals.

(1) Form RD 1905-1, "Management System Card - Individual." (Form RD 1905-6, "Management System Card - Multifamily Housing," is for individual Multifamily Housing borrowers, except Labor Housing (LH) borrowers with Farmer Program type loans. Form RD 1905-1 may be used for these LH borrowers.)

(2) Form RD 405-A1, "Operating Type Loans Maturity Schedule (Cont.)."

(3) Form RD 1905-4, "Application and Processing Card - Individual." (Revised 11-7-84, PN 947.)

(4) Form RD 1905-5, "Management System Card - Individual (Rural Housing Only)."

(5) Form RD 1905-6, "Management System Card - Multifamily Housing."

(6) Form RD 1905-10, "Management System Card - Association." This form will be used for all group-type loans/grants except Multifamily Housing and Community and Business Programs.
(Revised 11-7-84, PN 947.)

(7) Form RD 1905-11, "Application and Processing Card - Association." (Revised 11-7-84, PN 947.)

(8) Form RD 1905-12, "Monthly Expirations."

(9) Form RD 451-26, "Transaction Record." (Renumbered 08-20-97, PN 280.)

(10) Plain Cards for reports and miscellaneous memorandums. (Renumbered 08-20-97, PN 280.)

(11) Colored metal signals. On positions where monthly signals are prescribed, use the following colors: (Renumbered 08-20-97, PN 280.)

January	Pink	July	Light Red
February	Light Green	August	Dark Green
March	Dark Red	September	Black
April	Orange	October	Light Blue
May	White	November	Yellow
June	Dark Blue	December	Brown

NOTE: To serve as a memory aid in the use of the monthly signals, arrange the twelve signals in order on a card with the proper months assigned. Keep this card with the Management System Box for quick references.

(c) Code and signal diagrams. Exhibit B is a code and signal diagram for Form RD 1905-1, Exhibit D for Form RD 1905-5, Exhibit E for Form RD 1905-6, and Exhibit F for Form RD 1905-10. These diagrams are provided as a training aid and to facilitate operations of the Management System. For ready reference keep a copy of these Exhibits in the Management System Box in a convenient place, such as the "Miscellaneous Division" or the lid of the box. NOTE: A strip of matte finish tape may be placed across the top of the Management System Card to provide greater adherence of signals to the card. Also, if desired, each position signaled on the card may be circled in pencil for easier placement of lost signals.

§1905.5 Miscellaneous division.

Plain 5" x 8" cards may be used to record miscellaneous information not otherwise recorded in the Management System, such as; (1) a list of borrowers with assignment-type payments; (2) a list of attorneys designated for the office area with addresses and telephone numbers; (3) names of County Committee Members with Social Security numbers, addresses, telephone numbers, and appointment expiration dates; (4) a list of real estate brokers who have signed a Master Listing Agreement; (5) addresses of Secretary of State and Registry of Deeds with amount of fees charged for recording financing statements, mortgages, and completing lien searches; (6) a list of borrowers who have received deferrals, and the date the deferrals were approved, and (7) a list of borrowers who have limited resource loans. File these cards immediately behind the Miscellaneous Division divider. This division of the Management System is subdivided into the following sections.
(Revised 04-12-89, PN 106.)

(a) Work organization meeting. This section contains plain 5" x 8" cards on which notations are made of miscellaneous activities to be reviewed at the work organization meeting. (Renumbered 08-20-97, PN 280.)

(b) State Office personnel. This section contains plain 5" x 8" cards for recording items to be discussed with the District Director, Office Management Assistant, or other State Office personnel.
(Renumbered 08-20-97, PN 280.)

(c) January - December (divider for each month and quarter).
(Renumbered 08-20-97, PN 280.)

(1) This section contains plain 5" x 8" cards for each recurring report prepared in the District or County Office. Each card will show (a) name of the report, (b) form used, (c) number of copies prepared, (d) distribution of copies, (e) submission date, (f) procedure reference for preparation, and (g) where to be filed. Office Management Assistants will maintain a current, complete set of report cards for their use in determining if report cards in the District and County are being kept current. When the report is prepared, file the card behind the quarterly and monthly divider for the month the next report is required. For special one-time reports, note information on the desk calendar or in any manner that will serve as a reminder to the office.

(2) This section may also be used for filing reminders for any miscellaneous reports or other activities planned or requiring follow-up action during specific months in the year.

(3) A record of insurance policies, financing statements, and builder's warranties which will expire during the month may be established. (Revised 08-20-97, PN 280.)

(4) A record will be maintained for the County Supervisor to contact borrowers with loans secured by chattels to complete a new Form RD 1962-1, "Agreement for the Use or Proceeds/Release of Chattel Security," for the upcoming year 60 to 75 days prior to the expiration of the form. (Revised 10-14-88, SPECIAL PN.)

§1905.6 Application and processing division.

This division is used for Forms RD 1905-4 and RD 1905-11 for all types of assistance. Establish as needed separate form for each type and subtype of loan, grant, and guaranteed loan and those shown in the list below. File forms for guaranteed loans in the applicable type assistance section. This division contains sections for: (Revised 08-20-97, PN 280.)

(a) Operation (OL).

(b) Farm Ownership (FO).

(c) Emergency (EM) (A separate form for each emergency designation number.)

(d) Economic Emergency (EE).

(e) Recreation - Individual (RL).

(f) Soil and Water - Individual (SW-I), including Land Conservation and Development (LCD).

(g) Rural Housing (RH).

(h) Construction Defects.

(i) Conditional Commitments (CC-RH). (A separate form for each commitment applicant.)

(j) Multifamily Housing (MFH). (A separate form for each type of application and preapplication received from individuals or organizations under provisions of the RD Instruction 444 and 1944 series.)

(k) Rural Rental Housing (RRH).

(l) Labor Housing (LH).

(m) Rural Cooperative Housing (RCH).

(n) Rental Assistance (RA).

(o) Softwood Timber (ST). (Added 7-13-87, SPECIAL PN.)

§1905.7 Supervision and servicing division.

Use only one Form 1905-1, RD 1905-5, or RD 1905-10 for each borrower regardless of the number of loans or type of assistance received. Use a separate Form RD 1905-6 for each multifamily housing project financed regardless of the number of loans/grants received except individual LH borrowers with Farmer Program type loans. Form RD 1905-1 may be used for these LH borrowers. These forms are maintained alphabetically by name of borrower in the applicable section of the Supervision and Servicing Division of the Management System Box for each active borrower, collection-only borrower, and judgment debtor owing one or more types of FmHA loans or judgment debts, and for each grant-only case.

(a) "Active Borrowers (Individual)" section. (Excludes individual MFH borrowers)

(1) Prepare and file Form RD 1905-1 or Form RD 1905-5 in this section when the check is delivered to the borrower or deposited in the supervised bank account, or the loan is closed for each individual receiving initial loan and/or grant assistance and for the transferee in the case of an assumption agreement. For guaranteed loans, see 1905.9 of this Subpart. For Other Real Estate (ORE) accounts see §1905.11 of this Subpart.

(2) Describe each promissory note and assumption agreement on Form RD 1905-1 or Form RD 1905-5 when the check is delivered, the assumption agreement is signed, or the loan is closed. The maturity schedule for operating-type loans will be posted with pencil as it will be subject to change by virtue of the collection policy set forth in RD Instruction 1951-A, or the cancellation of multiple advances. Cross out each installment when paid. Draw a line through each promissory note and assumption agreement when paid in full or otherwise satisfied. (See Exhibit C.)

(i) Recording Reamortized, Rescheduled or Consolidated Accounts. When an account is reamortized, rescheduled or consolidated, draw a line through all entries made on Form RD 1905-1 or Form RD 1905-5 for the note(s) involved. The revised figures as reflected on the new promissory note in the case of an insured loan or a memorandum from the Finance Office in the case of a direct loan will be entered on a new line, and the word "REAMORTIZED", "RESCHEDULED" or "CONSOLIDATED" will be shown on the same line in the first column.

(ii) Recording Deferred Payments. If both principal and interest payments have been deferred, show the word "DEFERRED" in the applicable column of Form RD 1905-1 or Form RD 1905-5. If principal only is deferred, enter "Interest only" and the amount. If interest only is deferred, enter "Principal only" and the amount.

(iii) Recording Multiple Advances. If the loan being processed provides for multiple advances, the promissory note will be described on Form RD 1905-1 the same as any other note. In addition, for operating type loans, the dates and the amounts of the multiple advances as prescribed by the Supervisor may be posted to the "Supervision and Servicing" section of Form RD 1905-1.

(3) Section for "Rural Housing Only" borrowers. Maintain Form RD 1905-5 in this section for all Rural Housing only borrowers, including those classified as NP. At the discretion of the County Office, all Forms RD 1905-5 may be intermingled in the section or they may be segregated as follows: (a) RH--Direct (Not Monthly); and (b) RH--Direct (Monthly), which would include borrowers with monthly installment notes and those with annual installment notes or assumption agreements who must make twelve monthly payments a year. If a borrower subsequently receives another type loan, remove Form RD 1905-5 from the "Rural Housing--Individual" section even though the rural housing loan may continue to be on the direct payment system. Prepare a Form RD 1905-1 for borrower and file in the "Active Borrowers--Individual" section. A plain cross-reference card may be filed in the section when an RH-only borrower receives a Farmer Program loan. (Revised 03-25-91, SPECIAL PN.)

(b) "Active Borrowers (Multiple Family Housing)" section.

(1) Prepare Form RD 1905-6 for each project when Form RD 1944-51, "Multiple Family Housing Obligation - Fund Analysis," is entered on the computer. The staff person then verifies that the obligation for the initial loan or grant has been entered on the computer data base. For Nonprogram (NP) accounts see §1905.11 of this subpart. (Revised 11-1-85, SPECIAL PN.)

(2) Describe each promissory note, assumption agreement and grant agreement on Form RD 1905-6 when the loan, grant, transfer or credit sale is closed. Flag the card if the loan is on a predetermined amortization schedule system (PASS). Draw a line through each promissory note or assumption agreement when paid in full or otherwise satisfied. (Added 5-1-85, SPECIAL PN.)

(i) Recording Reamortized or Converted Accounts. When a loan is reamortized or converted to PASS, draw a line through all entries made on Form RD 1905-6 for the note(s) involved. The revised figures reflected on the Reamortization Agreement or Conversion Agreement will be entered on a new line and the words "REAMORTIZED" or "CONVERTED" will be shown on the same line in the first column. (Added 5-1-85, SPECIAL PN.)

(ii) Recording "Maximum Debt Limit (MDL)". For multiple advance loans record the MDL amount on the same line with the loan in the last column in pencil. When the interest is capitalized and the payments established the MDL may be erased. (Revised 06-19-91, PN 167.)

(iii) Recording other information. Other items will be completed on Form RD 1905-6 as the information becomes available. See §1905.11 of this Subpart concerning NP accounts. (Revised 11-1-85, SPECIAL PN.)

(c) "Active Borrowers (Associations)" section. Prepare Form RD 1905-10 when Form RD 440-57 indicating that loan and/or grant funds have been obligated is received. Describe each promissory note or bond evidencing advances made to the borrower on Form RD 1905-10. Draw a line through each promissory note or bond when paid in full. See §1905.11 of this Subpart concerning NP accounts. Deferred payments, reamortized accounts and multiple advances will be recorded in the same manner as prescribed for individual borrowers in §1905.7 (a) (2) (i), (ii) and (iii) of this Subpart. (Revised 11-1-85, SPECIAL PN.)

(d) "Liquidation pending (Individuals, Associations and Organizations)" subsection. When the County Supervisor or District Director enters the statement of facts in the "Running Record" indicating the borrower's account is to be liquidated, Forms RD 1905-1, RD 1905-5, RD 1905-6, or RD 1905-10 will be moved from the "Active Borrowers (Individual)," "Active Borrowers (Association)," or "Active Borrowers (Multifamily Housing)" sections and filed in the "Liquidations Pending" section.

(e) "Collection-Only Borrowers" section. File Forms RD 1905-1, RD 1905-5, RD 1905-6 or RD 1905-10 in the "Collection-Only Borrowers" section whenever a borrower is classified Collection-Only. When segregation of Collection-Only borrowers will facilitate servicing activities, "Servicing Actively," "Deceased" or Addressee Unknown," and "Other" sections may be used.

(f) "Judgment Debtors" section. Whenever a borrower's total indebtedness to FmHA is reduced to judgment, including deficiency judgments defined in RD Instruction 1955-A, pertinent information regarding the judgment account will be entered on Forms RD 1905-1, RD 1905-5, RD 1905-6 or RD 1905-10 and the card will be filed in the "Judgment Debtors" section.

(g) "Compliance Review" section. Form RD 1905-10 for water and waste disposal development grants "only" will be removed from the "Active Borrowers (Associations)" section when the case is considered closed in accordance with RD Instruction 2033-A and will be refiled and retained in the "Compliance Review" section until the association is no longer subject to compliance review in accordance with RD Instruction 1901-E.

(h) "Interest Credit Recapture Receivables" section. When an RH borrower pays their loan in full, but does not pay interest credit recapture at the time of payoff, Form RD 1905-5 will be removed from the "Active Borrowers (Individual)" section, attached to a new Form RD 1905-5 and filed in the "Interest Credit Recapture Receivables" section. Type "INTEREST CREDIT RECAPTURE RECEIVABLE" on the top of the new card and fill in the top section of the card with the borrower's name, address, and case number. Use the "AMOUNT OF NOTE" field to record the interest credit recapture receivable due and use the "MONTHLY INSTALLMENT" field to record payments on the receivable. (Added 08-19-92, PN 190.)

§1905.8 "Government Inventory" division.

Whenever the Government acquired title to real property the Management System Card for the previous borrower will be maintained in this division, EXCEPT for "collection-only" or "judgment" cases. The card for a collection-only borrower or judgment debtor will be filed as prescribed in §1905.7 (e) or (f). Prepare a dummy card showing the name of the borrower and cross-referenced to the "Collection-Only Borrowers" or "Judgment Debtors" section, and file in this division. When property in Government inventory is leased, prepare a new card for the lessee (NP debtor) and file in the "active" borrowers section of the box. On the card filed in the "Government Inventory" division, enter in pencil the name of the lessee immediately below the name of the previous borrower. Upon receipt from the Finance Office, enter the advice number to the right of "Type of Assistance" on all cards in this division. Other information such as the date acquisition, how acquired, inventory value, when advertised for sale, and inquiries received concerning property may be recorded on the card. When property in Government inventory is sold, remove and file the card in the previous borrower's case folder. (Revised 11-1-85, SPECIAL PN)

§1905.9 "Guaranteed Loans" division.

Unless there is an existing card for the borrower, Form RD 1905-1 (for individuals and associations) will be established in the name of the borrower no later than the date of issuance of the Conditional Commitment for Guarantee or Letter of Conditions and will be maintained in this division. Any information that may be helpful to the office will be recorded on Form RD 1905-1, such as: (a) name and address of the lender, (b) purpose of the loan, (c) terms and conditions of the guarantee, including the number of years the Contract of Guarantee will be outstanding, if applicable, (d) guarantee fee and date paid, (e) inspections, (f) reports, and (g) annual audits due or periodic financial statements. No signaling of this card is required except the "Activity" positions which should be signaled as needed. The Management System cards for guaranteed loans will be removed from the box and placed in the case folder upon notification from the lender that the loan has been paid in full. If a borrower has both an insured and guaranteed loan, a plain 5" X 8" card with pertinent information may be kept in this section as a cross-reference.

§1905.10 Loan account status records.

The official record of loan account balances is maintained in a computer-based system in the Finance Office. Forms RD 1905-1, RD 1905-5, RD 1905-6, and RD 1905-10 will serve as a record of loan advances, maturities and reamortized installments. Offices will use the following documents furnished by the Finance Office for loan status and other detailed information. Office Management Assistants are responsible for training all District and County Office personnel in the interpretation and use of all information shown on these documents.

(a) Form RD 389-223, "Rural Housing Monthly Payment Account Status Report." This form is used for servicing delinquencies of Rural Housing monthly payment borrowers. It should be filed in a convenient place and then destroyed upon receipt of the next Form RD 389-223 or when Form RD 1951-9, "Annual Statement of Loan Account," is received. (Revised 11-23-88, PN 99)

(b) Form RD 389-401, "Report of Annual Payment Rural Housing Borrowers." Use this form in servicing delinquencies of borrowers with other than 12 monthly payments. Form RD 389-401 lists all borrowers by county, separating the behind schedule borrowers, and is furnished monthly by the Finance Office. It shows the minimum amount due by January 1, the amount ahead or behind schedule, and the regular annual installment. For each borrower behind schedule, review Form RD 1905-5 and the latest transaction record to determine the account status based on the borrower's Supplementary Payment Agreement. Cross out from Form RD 389-401 those loans determined to be current. Any contact with the borrower based on this report should take into consideration any payment the borrower may have made which is in transit. Form RD 389-401 should be filed in a convenient place and then destroyed upon receipt of the next Form RD 389-401 or when Form RD 1951-9 is received. (Revised 11-23-88, PN 99)

(c) Form RD 389-375 A, B, C, D, E, and F (Quarterly Report Code 616 "Active Delinquent Borrowers"). These reports show the percent and number of delinquent borrowers by State and National totals. The reports also reflect other account status information that may be useful in analyzing and reviewing multiple family housing delinquencies. The report should be filed in a convenient place and then destroyed upon receipt of the next Form RD 389-375.

(d) Report Code 616, "Active Borrowers Delinquent." This report is for servicing delinquencies of multiple family housing borrowers. It should be filed in a convenient place and then may be destroyed. (Revised 5-1-85 SPECIAL PN.)

(e) Form RD 1951-9, "Annual Statement of Loan Account and Form RD 1951-54, "Multiple Family Housing Annual Statement of Loan Account." By approximately January 14 each year, this form will be furnished to the District or County Office and each borrower (including those with no activity). Forms RD 1951-9 and RD 1951-54 show all charges and credits made during the calendar year. They also show interest paid for income tax purposes. This form will be filed in Position 2 of the borrower case folder. (Revised

(f) Form RD 451-26, "Transaction Record," and Form RD 1951-53, "Multiple Family Housing Transaction Record." Except for direct monthly payments made for Single Family Housing loans, Form RD 451-26 will be sent to the office each time a transaction is processed to a borrower's account which involves payments, interest credits, recoverable cost items, rental assistance and Transaction Code 4M to mature installments and to reflect advances from the insurance fund. For interest credit borrowers, the reduced interest rate is also shown. In "scanning" the transaction records, upon receipt, any obvious discrepancies will immediately be brought to the attention of the Finance Office. Form RD 1951-53 will be sent for all Multiple Family Housing loans and grants. Transaction records will be retained in the fold of the Management System card (in the project servicing file for Form RD 1944-53) until Forms RD 1951-9, RD 1951-54, RD 451-26, and RD 1944-53 (Code 4M) for the current year are received. All transaction records for the year just ended will then be destroyed, except Form RD 451-26 or Form RD 1944-53 (Code 1L) which may be filed in position 2 of the borrower case file when the recoverable cost charge has been repaid. 11-23-88, PN 99)

(g) Posting information to transaction records for computer-based accounts.

(1) When it is anticipated that additional payments may be made prior to receipt of all of the transaction records for those borrowers making frequent payments, the clerical personnel may post such payment(s), as received, on the latest transaction record in the "Application of Credit" block. (See Exhibit G.)

(2) When funds loaned for capital expenditures are used for operating expenses, enter on the latest transaction record for the loan account concerned the amount to be collected in addition to the amount shown in the "Minimum Amount Due by Date Shown" block of the transaction record. Continue to record the additional amount on the transaction record(s) until it is paid. As payments are received, Form RD 451-2, "Schedule of Remittances," will identify this amount as an "extra payment" to be deducted from the final installment due, except when payments must be applied as prescribed in RD Instruction 1951-A, §1951.10. This additional amount will also be posted on the Supervision and Servicing section of the Management System Card for followup purposes. (See Exhibit C, example (5).)

(3) Payment(s) made by a borrower to repay a recoverable cost charge may be posted to the transaction record (Transaction Code IL) reflecting the charge until it is repaid, and then may be filed in Position 2 of the borrower case folder.

§1905.11 Non-Program Loan (NP) accounts. (Revised 11-1-85, SPECIAL PN.)

(a) Definition. A Non-Program loan results when credit is extended to ineligible applicants and/or transferees in connection with sale of inventory Properties and loan assumptions. As such, these loans are only approved when it is in the best interest of the government.

(b) Management system. Maintain Form RD 1905-1 in the Management System for all NP accounts EXCEPT Rural Housing only. Form RD 1905-5 will be maintained for Rural Housing only accounts. When real property in Government inventory is sold or transferred to an ineligible applicant, or is leased, Form RD 1905-1 or Form RD 1905-5 will be established in the name of the lessee or purchaser. Management System cards for NP accounts will be maintained in the District or County Office responsible for making and servicing the type loan for which real property had previously served as security.

(i) For NP loans or assumption agreements which provide for amortized installments including both principal and interest, the annual installments will be entered in the "Real Estate Type Loans Installment Schedule" section of Form RD 1905-1 of Form RD 1905-5 in accordance with the schedule in the promissory note or assumption agreement.

(ii) When a nonfarm tract in Government inventory is leased, enter the payment schedule reflected in the lease in the "Real Estate Type Loans Installment Schedule" section of Form RD 1905-5. In the case of farm lease, post the terms of the lease to the "Supervision and Servicing" section of Form RD 1905-1 for servicing purposes.

§1905.12 Posting to supervision and servicing section.

(a) Individuals. (For individuals with multifamily housing assistance see §1905.12 (b).) Any information that would be helpful in account servicing, such as Statute of Limitations date, date of deposit agreement, etc., may be recorded in this section. Notations should be brief and sufficiently specific to enable personnel to determine the primary purpose of the action. Enter the date when each action is planned to be taken in the "Date for Follow-Up" column. The date on which followup action is completed may be entered in the "Date Completed" column for those items on which this information should be retained. Followup actions of a temporary nature recorded in this section are erased when the action is completed.

(1) Sources of information for posting to the Supervision and Servicing section of Form RD 1905-1 or Form RD 1905-5. Clerical personnel will, when applicable:

(i) Group and record on Form RD 1905-1 (see Forms Manual Insert) those major improvements and practices which the Supervisor has indicated for followup on Table D of Form RD 431-2, "Farm and Home Plan."

(ii) Group and record for followup from Table K of Form RD 431-2 the planned debt repayment(s) to be made to FmHA, including any increase in payments due to loan funds originally set up for capital expenditures which are used for operating expenses.

(iii) Record any actions designated for followup on Table E of Form RD 431-4, "Business Analysis - Nonagricultural Enterprises."

(iv) Transfer those underlined activities from the running record which require followup actions.

(v) Record any needed followup action on borrowers requested to refinance as reflected on Form RD 1951-24, "Results of Borrower Graduation Review by County Committee and County Supervisor." (Revised 8-28-83, SPECIAL PN.)

(Added 11-1-85, SPECIAL PN)

(vi) Record planned analysis.

(vii) Record any needed followup action on delinquent borrowers as determined on the annual review of delinquent borrowers with the District Director.

(viii) Record followup action required prior to expiration of a moratorium period for Section 502 and 504 RH borrowers.

(ix) Record any needed followup actions noted through work organization meetings, correspondence, or through contacts in person or by telephone.

(2) Recording expiration and due dates. Show in column headed "Date":

(i) Delinquent taxes - When it becomes known that a real estate type loan borrower is delinquent in paying taxes, show the date the taxes officially became delinquent or record expiration date of a tax lien.

(ii) Insurance - For Farmer Program and Section 502 RH borrowers, enter the date the insurance policy is to be returned to the borrower. Form RD 1905-12 may be used for this purpose. For other type loans, enter the expiration date of each policy. Form RD 1905-12 may be used for this purpose. If the policy is continuous, show the letter "C" and this borrower will not be shown on Form RD 1905-12.

(iii) Security Agreement - For indebtedness secured by a chattel and/or crop lien, insert the date of the latest Security Agreement, or expiration date if applicable.

(iv) Financing Statement - For indebtedness not secured by a lien enter "Note only." For indebtedness secured by chattel and/or crop lien, enter expiration date of the Financing Statement. The expiration date in most States will be five years from the date of filing. Opposite "Financing Statement" in the "Date for followup" column, enter the first month, day, and year of the 6-month period in which continuation of the Financing Statement must be accomplished. Each continuation statement keeps the related Financing Statement in effect an additional five years from the date the Financing Statement (NOT the continuation statement) was filed. In the "Supervisory and Servicing Actions Planned" column, enter the place of filing, the number assigned to the statement by the recording official and the date filed. Form RD 1905-12 may be adapted for listing all borrowers with financing statements and their continuation dates. Head columns by year. Enter parenthetically beside name of borrower the date the financing statement is initially filed. Enter continuation dates under appropriate year column. Place card in the miscellaneous division behind the first month of the 6-month period in which the next continuation falls due.

(v) Inspection - For annual inspections, show date 12 months from date of last annual inspection of security. For borrowers with RH loans on nonfarm tracts, inspections ordinarily will be made only if foreclosure action is likely to be taken, the property is abandoned, or when necessary to protect the interest of the Government.

(vi) Builder's Warranty - Show the 1-year expiration date of the builder's warranty. In the "Date for followup" column enter date two months before the expiration of the warranty period for followup for notifying the borrower of the expiration date by use of Form RD 1924-21, "Notice of Expiration of First Year of Warranty." Subsequent followup actions will be posted only if needed. Form RD 1905-12 may be used for this purpose. (Revised 5-12-87, SPECIAL PN.)

(vii) Development - Show date 15 months from date of loan closing or the date scheduled for completion beyond 15 months. For regular inspection visits for development and major construction, enter opposite "Development" in the "Date for followup" column the next scheduled visit, until final inspection has been made.

(viii) Other - Space is provided for expiration dates or other pertinent due dates which need followup action such as: (a) expiration date of 3-year 504 Grant Agreement; (b) expiration date of 502 and 504 moratorium granted. (Revised 7-13-87, SPECIAL PN.)

(b) Associations and Multifamily Housing. Supervisory and servicing actions and expiration and due dates of these loans are entered in the "Servicing and Management Assistance" section of Forms RD 1905-6 and 1905-10. Followup and completion dates will be used in the same manner as for individual borrowers as prescribed in §1905.12 (a) of this Subpart. Supervisory and servicing actions in addition to those identified on the form will be entered under "Actions Planned." Entries will include information relating to:

(1) Major improvements in operation and maintenance which the borrower or grantee should make during the ensuing year (determined by the County Supervisor or District Director and borrower or grantee as part of the annual analysis of association operations).

(2) Servicing actions shown in the running record as requiring specific followup action. This information will normally be obtained during the annual inspection of facilities and services, review of annual analysis, contacts with association officials, and attendance at the annual meeting, as well as meetings of the board of directors.

(3) Development-completion dates will be established and maintained while development is in process.

(4) Any other pertinent due, followup and/or completion dates in connection with needed supervisory actions.

§1905.13 Paid up or otherwise satisfied accounts.

(a) Remove Form RD 1905-1, RD 1905-5, RD 1905-6 or RD 1905-10 from the Management System and place in position 2 of the borrower's case folder when all accounts have been paid in full or otherwise satisfied, EXCEPT as follows:

(1) Form RD 1905-1 or RD 1905-5 for Section 504 Rural Housing loans/grants will be removed from the Management System and filed in position 2 of the borrower's case folder when considered closed in accordance with RD Instruction 2033-A.

(2) Form RD 1905-10 for associations which received Industrial Development grants, Rural Development Assistance grants, or Self-Help Technical Assistance funds will be removed from the Management System and filed in position 2 of the borrower's folder when considered closed in accordance with RD Instruction 2033-A. (Revised 11-7-84, PN 947.)

(b) Form RD 1905-1 may be reused for paid-up borrowers who subsequently receive another loan.

Attachments: Exhibits A, B, C, D, E, F, and G

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1905-A Exhibits A through G not automated see manual